

MEETING OF  
THE DELAWARE AGRICULTURAL LANDS PRESERVATION FOUNDATION

A meeting of the Delaware Agricultural Lands Preservation Foundation was held at the Delaware Department of Agriculture, 2320 S. DuPont Hwy. Dover, Delaware, October 17, 2012, with the following members in attendance:

Robert F. Garey, Chairman	Ed Kee, Secretary of Agriculture
William Vanderwende, Vice Chairman	Lisa Embert representing Chip Flowers, Jr., State Treasurer
Theodore P. Bobola, Jr.	Michael Valenti representing Steve Ditmer, Forestry Council
Robert Emerson	Kevin Coyle representing Collin O'Mara, Secretary of DNREC

Absent: William H. "Chip" Narvel, Jr. and L. Allen Messick, Jr.

The following staff members were in attendance: Austin Short, Deputy Secretary of Agriculture, and Chief of Planning, Howard Mesick, Scott Blaier, Cathy Mesick, Milton Melendez, Kathi Spangler, and Robin West.

Others in attendance: F. Michael Parkowski, Mr. & Mrs. Wills Passmore, Mr. John Giangrant (representing Eastern Shore Natural Gas), and David Wolfenden of WWD (auditor).

Chairman Garey opened the meeting at 8:30 a.m.

I. Current Situation Report:

Robin West informed the Board that we have a total of 1,116 farms in preservation districts totaling 157,693 acres, with a total of 690 farms under agricultural easements totaling 105,084 acres at a cost of \$187,165,805. For PDR 17, there are a total of 148 farms, comprising 13,913 acres, with a value of \$57,441,010. For the Forestland Preservation Program there are 37 Forestland Preservation Areas comprising 2,711 acres. For the Forestland Preservation Area Easements, there are a total of 9 properties, comprising 872 acres, with a value of \$1,450,804. For the Young Farmers Program there are a total of 10 Young Farmers program loans which have gone through the settlement process, with an easement value of \$3,878,524. Forty-One prequalification applications have been received so far with only one being unapproved and one currently under review.

II. Monitoring Report:

Milton Melendez informed the Board that 512 out of 664 scheduled non-federally funded parcels have been visited this year. A total of 927 parcels (federal and non-federal) are scheduled for review in 2012.

III. Young Farmers Report – Austin Short informed the Board that October 31 is the cutoff date for receiving Young Farmers loan applications. Currently, three loan applications have been received and two more loan applications are anticipated. Of the three loan applications in hand two of them are from the same person.

IV. Expansion Eligibility & Final Approval:

1. Mounts Farm Expansion of the Tappahanna District, ID#K-12-07-219N. After discussion, **Kevin Coyle moved to accept for eligibility/final approval the Mounts Farm Expansion of the Tappahanna District, seconded by Lisa Embert. Motion unanimously approved.**

V. Expansion Eligibility & Final Approval (Contingent Sale):

1. Larimore Farms Expansion of the Simpson Farms District, ID#K-12-08-072G. After discussion, **Lisa Embert moved to accept for eligibility/final approval, contingent upon sale, the Larimore Farms Expansion of the Simpson Farms District, seconded by Kevin Coyle. Motion unanimously approved.**
2. Cashwell Expansion of the Elmer-Wink Vanderwende District, ID#K-12-10-149L & S-12-10-149L (in Kent & Sussex Counties). After discussion, **Kevin Coyle moved to accept for eligibility/final approval, contingent upon sale, the Cashwell Expansion of the Elmer-Wink Vanderwende District,**

**seconded by Theodore P. Bobola, Jr. Motion unanimously approved.** Mr. Vanderwende abstained from voting due to conflict of interest.

- VI. Secretary of Agriculture's Veto – Secretary of Agriculture Ed Kee waived the right of veto for the above Expansions.
- VII. Public Comments –Mrs. Grace Shorts Caulk Passmore asked the Board if she would be allowed to comment on the upcoming item number two under Other Business, concerning the Mrs. Grace Shorts Caulk District. The Chairman, Mr. Robert Garey, gave the Board's approval for her to comment when the item came before the Board.

VIII. Minutes:

Chairman Garey asked if there were any comments or changes to the August 15, 2012 minutes. Hearing no changes, the Chairman asked for a motion to approve the minutes. **William Vanderwende moved to approve the August minutes, seconded by Ed Kee. Motion unanimously approved.**

IX. Financial Highlights:

Howard Mesick presented the Financial Statement for the month of August 31, 2012, informing the Foundation Board that we had, as of August 31, 2012, \$14,927.48 in the Foundation's interest bearing State of Delaware account. Interest income for the month of August was \$17.88, and income from license plates totaled \$840.00 for the month of August. Expenditures for the month of August totaled \$39,946.19. After discussion, **Kevin Coyle moved to accept the August financial statement as presented, seconded by Ed Kee. Motion unanimously approved.**

Howard Mesick next presented the Financial Statement for the month of September 30, 2012, informing the Foundation Board that we had, as of September 30, 2012, \$15,393.19 in the Foundation's interest bearing State of Delaware account. Roll back tax funds totaled \$5.14 in the month of September, interest income was \$7.05 and license plate monies received in September totaled \$280. Expenditures for the month of September totaled \$28,184.91. After discussion, **William Vanderwende moved to accept the September financial statement as presented, seconded by Lisa Embert. Motion unanimously approved.**

Audit Presentation: Mr. Dave Wolfenden presented the audit of the Foundation. This was a Qualified Opinion. Cash could not be audited according to the Generally Accepted Accounting Standards. Howard Mesick assured the Board that the amounts of funding as stated in his statements are correct, the issued is how cash is shown. Lisa Embert (from the Treasurer's Office) explained that there is an ongoing issue as far as verifying cash balances and this is true of all State Agencies right now. Both Mr. Wolfenden and Mr. Mesick stated that unexpended appropriations seem to be the problem. Discussion continued. A consensus was reached by the Board that they would not approve the Audit until Secretary Ed Kee, with the help of Howard Mesick and David Wolfenden approached the Auditor's Office to start a process to get the matter resolved. This is not a problem with our account system, but is a problem within the State of Delaware between the Auditor's Office and the Treasurer's Office and how cash is defined. The main issue for the Foundation is that our Audit is being held up by a problem within the State of Delaware as to the definition of cash and the Board does not wish to have auditing fees accumulating over the period the State takes to resolve this issue.

- X. Executive Session – Mr. Parkowski indicated that no Executive Session was necessary.

XI. Other Business:

1. Harmond-Hoch-Coleman District, ID#N-96-06-094 – Del DOT Bridge Improvement, Easement Acquisition. Mr. Scott Blaier presented a request for the easement acquisition. Discussion followed. After discussion, **Robert Emerson moved to accept the Del DOT bridge improvement easement request as presented, seconded by Theodore P. Bobola, Jr. Motion unanimously approved.**
2. Mrs. Grace Shorts Caulk District, ID#K-92-11-007 – Request for Eastern Shore Natural Gas Company for two permanent and two temporary easements. Michael Parkowski informed the Board that as Eastern Shore

Natural Gas Company was a client of his law firm that he could only advise the Board as to whether or not anything concerning this and the next request by Eastern Shore met the requirements of the Statute. Secretary Ed Kee then assured the Board that he and Austin Short had driven over to the property in question and looked over the site as well as spoke with Mr. Moore to make certain Mr. Moore did not have a problem with this contract with Eastern Shore. Mr. John Giangrant then presented the request of the Eastern Shore for the two permanent and two temporary easements.

Mrs. Grace Caulk Passmore then asked for permission to speak, which was granted by Chairman Garey. Mrs. Passmore explained her interest in this matter and informed the Board that in the proposed contract it states on page one directly after Exhibit 1, in the second paragraph: "a buried pipeline or pipelines and other appropriate facilities, accessories, and appurtenances, including but not limited to valves, fittings, and all other appurtenant facilities necessary for the transportation of natural gas, oil, petroleum products or any other liquids, gases or substances, which can be transported through a buried pipeline, along with communication cables, wires and appurtenances, now in the future, on, over, under thought and across, all that certain 75,230 +/- square feet area of Grantor's lands...". Mrs. Passmore asked the Board to consider if they would want additional changes in the future which are allowed by this contract to occur without the permission of the Board. The Board decided that they would want any additional changes to come before the Board as a separate matter, and that they were only allowing a gas line at this time. The Board asked that the contract be changed to show the allowance of only a gas line and those items needed for only a gas line. The staff was instructed to forward copies of the changed contract to all Board members and that a phone poll is taken as to the approval of the Board, with a majority vote showing the decision of the Board.

After further discussion **Ed Kee moved that a conditional approval for both the Eastern Shore Gas Company easement requests be granted, providing that copies of amended contracts allowing only gas pipelines be forwarded to the Board members for review and a phone poll taken; a vote approving the amended contract by a majority of the Board is to be needed for final approval of the easement. Seconded by William Vanderwende. Motion unanimously approved.**

3. Willis Ryan Expansion of Caulk District, ID#K-96-06-007B – Request for Eastern Shore Natural Gas Company for two permanent and two temporary easements. As this is the same type of contract as the above. The Board decided the same conditions for approval by the Board would apply as the above request.
4. Wilson Farm

Austin Short presented to the Board that he had a conversation with Mrs. Ellen Magee that she agreed to the proposed terms for amending her lease for the Wilson farm. However, Mr. Short has received no formal response from Mrs. Magee. Mr. Short also informed that Board that the second payment on the Wilson Farm loan has been made by the Foundation.

Mr. Short then mentioned that the Board might want to consider not having a meeting in November and moving the December meeting to December 5, 2012 from December 19. By the second week of November it will be known if a meeting change would be appropriate and the Board should receive a request concerning this from the staff.

XIII. Adjournment

As there was no further business to come before the Foundation the meeting adjourned at 9:40 a.m. The next meeting of the Foundation will be held on November 21, 2012 (unless changed to a meeting in December) at the Delaware Department of Agriculture beginning at 9:50 a.m.

Respectfully submitted,

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Robert F. Garey  
Chairman